

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

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APPLICATION OF AMEREDEV  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 20661

APPLICATION

Ameredev Operating, LLC (“Ameredev”) (OGRID No. 372224), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interest in the Wolfcamp formation, underlying a standard 467.40-acre, more or less, spacing unit comprised of the W/2 W/2 of Section 27, E/2 E/2 of Section 28, W/2 NW/4 of irregular Section 34, and the E/2 NE/4 of Section 33, Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico. In support of its application, Ameredev states:

1. Ameredev is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to the proposed **Amen Corner State Com 26-36-27 121H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) of irregular Section 34.
3. The completed interval of the **Amen Corner State Com 26-36-27 121H Well** will remain within 330 feet of the section line separating: (1) the W/2 W/2 of Section 27 from the E/2

E/2 of Section 28, and (2) the W/2 NW/4 of irregular Section 34 from the E/2 NE/4 of Section 33, to allow inclusion of this acreage into a standard 467.40-acre horizontal well spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the horizontal spacing unit should be pooled, and Applicant should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2019 and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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**ATTORNEYS FOR AMEREDEV OPERATING, LLC**

CASE 2066!

**Application of Ameredev Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest in the Wolfcamp formation, underlying a standard 467.40-acre, more or less, spacing unit comprised of the W/2 W/2 of Section 27, E/2 E/2 of Section 28, W/2 NW/4 of irregular Section 34, and the E/2 NE/4 of Section 33, Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Said unit is to be dedicated to the proposed **Amen Corner State Com 26-36-27 121H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the SW/4 NW/4 (Lot 4) of irregular Section 34. The completed interval of the **Amen Corner State Com 26-36-27 121H Well** will remain within 330 feet of the section line separating: (1) the W/2 W/2 of Section 27 from the E/2 E/2 of Section 28, and (2) the W/2 NW/4 of irregular Section 34 from the E/2 NE/4 of Section 33, to allow inclusion of this acreage into a standard 467.40-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jal, New Mexico.